NTCA
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
The Voice of Rural Telecommunications
www.ntca.org

October 19, 2005

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: ERRATA to Initial Comments filed October 18, 2005
WC 05-195

Dear Ms. Dortch:

Yesterday, the National Telecommunications Cooperative Association filed Comments in response to the Commission's Notice of Proposed Rulemaking, FCC 05-124, released on June 14, 2005, *In the Matter of Comprehensive Review of Universal Service Fund Management, Administration and Oversight.* Footnote 7 on page seven was incorrectly cited. Page seven of the Comments is being resubmitted with the following correction.

Footnote 7 on page seven is corrected to read as follow:

Alenco Communications, Inc., et al. v. FCC, 201 F.3d 608, 620 (U.S.C.A. 5th Cir. 2000).

Sincerely,

/s/ Daniel Mitchell
Daniel Mitchell
Senior Regulatory Counsel
Legal and Industry

Attachment

During this time, the ILEC must devote resources to assisting the auditors, resources which would otherwise be put to use serving customers.

Competitive eligible telecommunications carriers (CETCs), on the other hand, are currently audited on the basis of their line counts. Such data is easily gathered and readily available. Consequently, these audits may typically be completed within two to four hours. Far fewer resources are ultimately dedicated by the CETC to the audit process.

NTCA believes that a more stringent review of CETC use of universal service funding is required. According to the Commission's eligible telecommunications carriers (ETC) designation rules, carriers designated as CETCs by the Commission are required to submit five-year buildout plans, detailing their proposed future activities. In accordance with Section 254(e) of the Act, which stipulates that universal service support be used only for the purposes intended, these carriers should be required to connect the funding received with their buildout plan. Any use of universal service funds for purposes not directly related to the accomplishment of goals outlined in their buildout plan should be closely scrutinized.

The most efficient way to insure that the provisions of Section 254(e) are being fulfilled is to eliminate the identical support rule.[6] Currently, the rule allows CETCs to receive support based solely on the incumbent's costs, regardless of their own. In those instances where the competitor's costs are lower than the incumbent's, the competitor receives excess support and would likely violate the sufficiency requirement also contained in section 254(e). The United States Court of Appeals for the 5th Circuit has already warned: "excessive funding may itself violate the sufficiency of the Act."[7] The stated goal of this NPRM is to eliminate waste in the

[6] 47 C.F.R. §54.307(a).
[7] *Alenco Communications, Inc., et al. v. FCC,* 201 F.3d 608, 620 (U.S.C.A. 5th Cir. 2000).

CERTIFICATE OF SERVICE

I, Gail Malloy, certify that a copy of the foregoing ERRATA to Initial Comments of the National Telecommunications Cooperative Association in WC Docket No. 05-195, FCC 05-124 was served on this 19th day of October 2005 by electronic mail to the following persons.

/s/ Gail Malloy
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